

Churches call and employ people to do specific tasks. These people, often considered the staff of the church, receive compensation. They should receive what it takes for a sense of security: an adequate and fair salary, insurance coverage and retirement benefits.

## History and Background

People in the United States are usually quiet about their own salaries but are very curious about others'. We gasp when we hear the amount of salary of the chief executive officer of a major corporation and dream of what we could do with that kind of salary. We complain when people who are making more money than we make strike for more. Because for most of us our salaries are our primary financial resources, they are really important. We feel we are entitled to an adequate salary, but how we define "adequate" varies. For many, our salaries are a way to understand how we are valued and are part of our identity.

Traditionally in the United States, the pastor of the church received a little cash, a house of the church's choosing, and in-kind gifts. The pastor was a faithful servant whom church members took care of by sharing what they had: a side of beef, a bushel of coal, a basket of beans. On special occasions there would be a "pounding" when everyone brought a

pound of this or a pound of that (although most often it was more than a pound) to the pastor.

Other people who worked for the church may or may not have had a salary. If they did, it often was low, as poverty was viewed as a part of dedication. Very few churches provided a retirement plan, insurance coverage, Social Security payments or sick leave for lay workers. These benefits, often referred to as "fringe benefits" today, are at the center of a person's sense of security.

## Common Practices

How some churches make decisions about salaries is anybody's guess. The conference or association usually has guidelines for clergy salaries. Pastors don't always make as much as the minimum salary recommended because the church "doesn't have the money" or because the pastor feels hesitant to be pushy about such a worldly subject. Custodians and secretaries have almost no one speaking up for them, although a resolution adopted by the 16th General Synod "urges employers to provide secretaries and support staff of local churches, associations, conferences, agencies and instrumentalities of the United Church of Christ a fair salary, vacation, health insurance, and pension benefits package applicable to their circumstances." The American Guild of Organists (475 Riverside Drive, Suite 1260, New

York, NY 10115) has suggested salary guidelines for organists. Some churches have worked at guidelines for setting salaries and providing additional benefits. They have a personnel or pastoral relations committee responsible for determining fair compensation and reviewing the salary annually. People who work for the church frequently are negotiating on their own behalf for higher salaries and other forms of compensation.

## Satisfaction

How satisfied you are with the compensation you receive influences your self-esteem, which in turn often influences how well you do your job. It isn't easy to achieve satisfaction, because it is based on several factors, some of them difficult to control. For example:

- Satisfaction is related to what you think you should receive. If you feel you deserve at least a 6% raise and the church offers 4%, you won't really be satisfied. Yet if you were hoping for 3%, you'd be delighted. It's hard for church leaders to know exactly what you think is fair unless you tell them.
- Satisfaction is influenced by what happens to others. If you get that raise, you may be delighted until you find out that your friend's salary is still higher than yours for a very similar position.
- Satisfaction is influenced by all

kinds of rewards and only one kind won't do. A high salary will not make up for a boring job, just as an exciting job will not make up for a low salary.

- People want different kinds of rewards. A month of study leave might be satisfying for someone, but for another nothing counts as much as living in a big house. Family situations influence this somewhat, so what's satisfying when the children are little may not count so much when they are grown.
- Most external rewards are satisfying only because they lead to other rewards. Money gives a sense of freedom and an opportunity to buy what you want; a car allowance lets you respond to parishioners wherever they are,

## Elements of Compensation for Lay Workers

### Fair Salary with Annual Salary Review

An employee of the church should be paid a salary commensurate with the work performed, in line with the going community rate. Regular review of compensation and working conditions should be conducted, with at least an annual salary review. Paid vacations, holidays and sickness policies should be dealt with clearly and fairly.

## **Membership in The Annuity Fund-United Church of Christ**

Dues should be paid by the employer on all lay workers' salaries, whether lay workers are full- or part time. People who work part time for the church and part time in other positions need to acquire benefits from all their positions in order to acquire adequate total pension benefits for retirement. The dues recommended are 14% of total taxable salary. If a house is provided to a lay worker as part of the compensation, its fair rental value is taxable and should be added to the cash salary to determine total salary.

## **Social Security**

The church must elect to cover its employees under Social Security. Payments should be made on behalf of lay workers in the church to assure both active and retirement benefits.

## **Group Health Insurance**

Coverage should be provided by the employer for full-time workers. The denominational plan is available in most conferences; others offer similar plans.

## **Group Disability Benefits and Term Group Life Insurance**

Full-time employees should have protection against possible disability and death benefits to provide for their families in the event of death. Coverage in the Family Protection Plan offered by the denomination will assist in meeting this need. Those eligible are full-time UCC employees

participating as active members in The Annuity Fund, for whom annuity dues are being made of not less than 11% of base salary. The premium is 1% of the total salary.

## **Reimbursement of Business Costs**

Out-of-pocket expenses, actual expenses to meet the cost of automobile operation, if required by the job, and similar business costs should be met by the employer.

## **Elements of Compensation for Ordained Ministers**

### **Fair Salary with Annual Salary Review**

An ordained minister should be paid a salary that is commensurate with her or his responsibilities and takes into account cost of living, professional competence and years of service. Most conferences have taken official action in offering specific guidelines for clergy compensation in their area. Churches are encouraged to check with their conference office for that information. There should be an agreement between the church and the ordained minister that an annual review of salary and benefits will take place. Annual performance review is also recommended to encourage common understanding of the needs of the community and the church and to stimulate the ordained minister's growth and development.

## **Annuity**

The United Church of Christ has an annuity program for ordained ministers. The church is expected to pay the full recommended dues of 14%.

## **Social Security**

Ordained ministers are considered self-employed for Social Security purposes and must file their own Social Security tax return and make the required payments. Therefore, remuneration should be considered to offset a portion of the Social Security payment.

## **Group Health Insurance**

Coverage should be provided for the ordained minister and his or her family. The United Church of Christ has a national group health benefits plan, as do some conferences.

## **Group Disability Benefits and Term Group Life Insurance**

The church should pay for this benefit. Those eligible for the United Church of Christ Family Protection Plan are full-time United Church of Christ ordained ministers or lay employees participating as active members in The Annuity Fund, for whom annuity dues payments are being made at not less than 11 % of "base salary."

## **Reimbursement of Business Costs**

Out-of-pocket actual expenses, including those for maintaining and operating an automobile, if required by the job, should be covered in full

by the church.

## **Housing**

Housing should be provided for the ordained minister and her or his family, either through the use of a parsonage or the offering of an adequate housing allowance.

## **Continuing Education and Sabbatical Leave**

Ministry is an ever-changing dynamic within our culture. Therefore, it is important that continuing education be a part of the regular experience of the ordained minister. Time and financial support should be provided for disciplined, intentional professional development through continuing education. Further, after a period of five years of service, a sabbatical leave of at least three months should be given for additional study. The ordained minister taking such a leave should covenant with the church to return for no less than one year following the sabbatical.

## **Ways to Improve Salary Administration**

- Give the responsibility of salary administration to one committee.
- Have written descriptions of each position so that duties, requirements and expectations are clear to those determining and those receiving the salary.
- Have a written personnel policy that includes vacation days, sick

leave, maternity and paternity leave policy and the elements of compensation for all staff.

- Provide an annual review of compensation. There should also be an annual performance review, but not at the same time.
- Be knowledgeable about the salary ranges of similar positions in your community.
- Contact the conference or association office for guidelines about salary compensation in your area. Also, read the 1987 General Synod resolution "United Church of Christ Secretaries/Support Staff Just Employment Practices," pages 80-81, from the **Minutes** of the 16th General Synod (1987) to see what implications this resolution has for your church. If your church no longer has the **Minutes**, check with your conference office to receive a copy of this resolution.
- Make sure the dignity of everyone involved is maintained. You can't expect someone to be satisfied with her salary after she's heard "Well, she's only a secretary, so we don't have to pay her very much."
- Be clear about how well you are keeping up with inflation. Indicate whether a raise is a merit increase--given because of highly satisfactory work--or a cost of living increase.
- Get information about benefits from The Pension Boards, 475 Riverside Drive, New York, NY 10115. See [www.pbucc.org](http://www.pbucc.org).

## Issues Facing the Church

- When a church isn't happy with a staff member, sometimes it doesn't say so, except by not raising the salary. On the other hand, some churches keep giving raises, which are interpreted as merit raises, to people who really aren't doing satisfactory work. What is the relationship between salary and performance?
- In times of high inflation, it is difficult for salary to keep up so that staff have the same purchasing power they did when they were called to the church. How can your church deal creatively with demands of the economy?
- Is it appropriate to compare salaries in the church to similar salaries outside the church for secretaries, professionals with graduate school training, musicians, etc.?
- Sometimes churches really struggle with compensation because they simply cannot pay what they think staff deserve. What happens then?
- Salary administration is one way that racism, sexism and ageism appear. Are people being compensated fairly at your church regardless of their age, sex, race or disability?
- People have a sense of being called to a particular church or position. How does that fit with their negotiating a fair salary?

## Questions

- Who is responsible for salary administration in your church?
- What benefits do you think a lay worker should expect?
- What benefits do you think clergy should expect?
- Are there any recommended benefits that members of your church staff do not receive?
- What did you learn about satisfaction in relation to compensation?
- Is there anything you should do about salary administration in your church that you aren't doing now?

1. **Minutes of the** 16th General Synod, 1987, p. 81.